

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1462

ANSWERED ON:04.08.2006

INFORMATION THROUGH ANNUAL RETURN

Mohite Shri Subodh;Reddy Shri K. Jayasurya Prakash

Will the Minister of FINANCE be pleased to state:

- (a) the details about the investment made in Mutual Funds and Reserve Bank through Annual Information Returns (AIR) ;
- (b) the follow up action in respect of information emerging from AIR during the year 2005-06 ;
- (c) whether changes in the system is in process ; and
- (d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Information contained in the Annual Information Returns (AIRs) relating to financial year 2004-05 shows that during that year, the total number of transactions in Mutual Funds, of Rs. 2 lakh or more, was 6,42,415 amounting to Rs. 7,76,158 crore. For the same period, the total number of investment in RBI Bonds, of Rs. 5 lakh or more, was 74,330 amounting to Rs. 3,16,307 crore. AIRs relating to financial year 2005-06 will be due on 31st August, 2006.

(b) During financial year 2005-06, the follow-up action taken with regard to the information contained in the AIRs is as under :-

(i) The transaction contained in the AIRs have been collated party-wise ;

(ii) The information has been utilized to select cases for scrutiny through a computerized selection process ;

(iii) Letters/statutory notices have been sent to persons, whose PANs were not quoted by the AIR filer, requesting them to furnish their PAN and file their returns of income, if not filed earlier. Further, notices have been sent to the prescribed persons who had not filed the AIR.

(c) and (d) At present, there are seven transactions which are required to be reported in the AIR. The Finance Minister has, in his Budget Speech, 2006, announced the Government's intention to prescribe a few more transactions to be reported in the AIRs. The new transactions for this purpose will be prescribed shortly.